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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/888,996	06/22/2001	Satoshi Sakai	882A 3083	3366

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EXAMINER	
ZURITA, JAMES H	

ART UNIT	PAPER NUMBER
3625	

DATE MAILED: 07/28/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/888,996	Applicant(s) SAKAI ET AL.	
	Examiner James H Zurita	Art Unit 3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *22 June 2001*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-16* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-16* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Drawings

The drawings are objected to because of multiple errors. Applicant is encouraged to carefully review his drawings and specifications for similar errors. For example,

In Fig. 1, items 210 and 214 are not described in the specifications.

In Fig. 5, item 50 is not described in the specifications.

Fig. 10's description, paragraph 115, lists item 902. This appears to be a typing error. The Examiner believes 902 should be changed to item 903, for consistency with Fig. 9.

In Fig. 11, item 1103 is missing.

Fig. 29(a) is mentioned in paragraph 122 does not appear in Fig. 29.

The drawings are objected to as failing to comply with 37 CFR 1.84(p)(4) because reference characters "1105" and "1106" have both been used to designate Settlement Process. Similarly, characters "1107" and "1108" have both been used to designate Acceptance Flag.

The replacement sheet(s) should be labeled "Replacement Sheet" in the page header (as per 37 CFR 1.84(c)) so as not to obstruct any portion of the drawing figures. If the changes are not accepted by the examiner, the applicant will be notified and informed of any required corrective action in the next Office action.

Corrected drawing sheets are required in reply to the Office action to avoid abandonment of the application. Any amended replacement drawing sheet should

include all of the figures appearing on the immediate prior version of the sheet, even if only one figure is being amended. The figure or figure number of an amended drawing should not be labeled as "amended." If a drawing figure is to be canceled, the appropriate figure must be removed from the replacement sheet, and where necessary, the remaining figures must be renumbered and appropriate changes made to the brief description of the several views of the drawings for consistency. Additional replacement sheets may be necessary to show the renumbering of the remaining figures.

The objection to the drawings will not be held in abeyance.

Claim Objections

The following are objected to because of informalities:

Claim 1, step 6 states "...informing ...the contents of a gift intended..." Other claims sate "...informing a recipient of contents of a...gift..."

Claim 8 refers to an order for "...a gift accompanied for an option to select..." and to "...a new gift accompanied by an option to select..." These appear to correspond to type 4, above, and will be thus interpreted.

Claims 11, 12 refer to "...order for the purchase and delivery of certain merchandise as a gift accompanied by an option to select..." This will be interpreted as applying to order type 4, above.

Claim 16 reads "...wherein a means of informing the contents of a gift is indented to inform..." This appears to be a typing error, and should read, "...wherein a means of informing the recipient of the contents of a gift is intended to inform..."

Applicant's invention appears to be directed ordering that presents a recipient with options to accept, exchange or credit a gift (Order Type B, below). However, claims 1-16 also refer to:

1. An order for simple purchase and delivery of merchandise...Order Type A.
2. An order for purchase of merchandise as a gift not accompanied by an option to select...Order Type A.
3. An order for purchase and delivery of merchandise as a gift not accompanied by an option to select...Order Type A.
4. An order for purchase and delivery of merchandise as a gift accompanied by an option to select...Order Type B.

Orders types 1-3 (Order Type A) and their attributes appear to be one and the same, as would normally appear in electronic commerce. Any other interpretation would conflict with use of ***"...either...or..."*** in claim 1, for example, and would render claims 1-16 indefinite.

As per claims 1-16, Applicant uses the terms merchandise and gift in h is claims, at times interchangeably. It is not clear when, if ever, merchandise becomes a gift or vice versa. There appears to be no patentable difference in how the term is used. For purposes of this examination, the term will be interpreted as synonyms. The language is nonfunctional descriptive material and carries little patentable weight.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-16 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

(1) whether the invention is within the technological arts; and

(2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present application, the Examiner notes that certain claims appear to recite technology, but the technology is involved in a nominal, trivial manner. Other claims contain nonfunctional descriptive material. Some examples follow:

Claims 1-8 are directed to methods and steps that can be performed without use of technology. The claims recite an abstract idea. The recited steps of accepting an order, delivering a product, granting an option, responding to a customer's selection does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These

steps only constitute an idea of how to order a product and delivering it to its intended recipient.

Claims 9, 11, 12-16 contain the word "Internet" and would appear to recite technology. However, mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process. For example, claim 14 states "...website...includes at least one virtual outlet store..." Claim 15 states "...website...is linked to at least one website on the Internet for a sale of merchandise." Thus, the language merely describes inferential activities that are not involved in an active sense. As such, the descriptive material imparts little patentable moment in distinguishing the instant methods from prior art.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1, 3, 4, 9, 11 and 12 are rejected under 35 U.S.C. 103(a) as being unpatentable over an article by Kris Hudson, FrogMagic Leaps Onto Internet, Denver Rocky Mountain News, Denver, CO, 15 August 2000, downloaded from the Internet on 14 July 2004.

As per claims 1, 3, 4, 9, 11 and 12 Frogmagic discloses methods and systems for purchasing merchandise and gifts for recipients, including:

Accepting an order for a gift (see, for example, at least page 1 and references to ordering a gift).

Notifying a recipient that he has received a gift, including the content of the gift. See, for example, page 1.

Granting a recipient the option to "take" the gift. Please see at least page 1 and 2, which states, "...lets [recipients] accept ...a gift..."

Querying and Responding to a recipient's selection of "take" When a recipient accepts, the recipient may provide a delivery address, and the gift is shipped to the recipient. This data is necessary to deliver the gift.

As per claim 6, FrogMagic discloses that a merchant may operate as a broker between customers and one of plurality of merchandise dealers. On page 2, please see at least references to "...lets customers order a gift from any of the site's suppliers..."

As per claim 13, FrogMagic discloses a website on the Internet for accepting order for gifts, where the website includes at least one virtual outlet store. See, for example, at least page 2, "...working his magic on the Internet once again by launching a company that lets people order and accept gifts online."

As per claim 14, FrogMagic discloses a website on the Internet for accepting order for gifts, where the website includes at least one virtual outlet store. See, for example, at least page 2, "...customers order a gift from any of the site's suppliers..."

As per claim 15, FrogMagic discloses a website on the Internet for accepting order for gifts. See, for example, at least page 2, "...working his magic on the Internet once again by launching a company that lets people order and accept gifts online."

As per claim 16, FrogMagic discloses that notification may take place via email. See, for example, "...recipient gets an e-mail notification" on page 1.

Claims 2, 5, 7, 8, 10 are rejected under 35 U.S.C. 103(a) as being unpatentable over FrogMagic in view of *Tips for* ***Returning Gifts***, PR Newswire, New York, 21 December 2000, downloaded from the internet on 26 July 2004.

As per claims 2, 5, 7, 8, 10 FrogMagic ***does not*** specifically discuss the application of credit to a recipient's account when the recipient selects to exchange or take credit for a gift. FrogMagic ***does not*** specifically disclose a step of "...making an unconditional delivery..." when a customer places a particular type of order.

Returning Gifts discloses various methods of dealing with gifts that are not accepted by recipients.

As per claims 2 and 10, FrogMagic ***does not*** specifically disclose that credit posted to a *recipient account* may also be applied to all or part of an order amount for the particular type of order. Returning Gifts discloses that recipients may obtain "store credit" if they decide to exchange a gift.

As per claims 5, 7 and 8, FrogMagic ***does not*** specifically disclose a "...nomination fee...", according to a price of a scheduled sale, that is paid to a *dealer* of the merchandise originally scheduled for purchase as a gift but not actually purchased because the recipient selects "credit" and reduction in the actual credit amount due to

the payment of the nomination fee to the *dealer as* adjusted by charging a credit-service fee such that the actual credit amount matches the apparent credit amount.

Returning Gifts discloses that brokers and retailers may charge "...restocking fees..." for exchanging items.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to combine FrogMagic and Returning Gifts to disclose that credit posted to a *recipient account* may also be applied to all or part of an order amount for the particular type of order, and to disclose "...nomination fee...", according to a price of a scheduled sale, that is paid to a *dealer* of the merchandise originally scheduled for purchase as a gift but not actually purchased because the recipient selects "credit" and reduction in the actual credit amount due to the payment of the nomination fee to the *dealer as* adjusted by charging a credit-service fee such that the actual credit amount matches the apparent credit amount.

One of ordinary skill in the art at the time the invention was made would have been motivated to combine ***FrogMagic*** and ***Returning Gifts*** to disclose that credit posted to a *recipient account* may also be applied to all or part of an order amount for the particular type of order, and to disclose "...nomination fee...", according to a price of a scheduled sale, that is paid to a *dealer* of the merchandise originally scheduled for purchase as a gift but not actually purchased because the recipient selects "credit" and reduction in the actual credit amount due to the payment of the nomination fee to the *dealer as* adjusted by charging a credit-service fee such that the actual credit amount matches the apparent credit amount for the obvious reason that exchanging and

returning gifts can be confusing and frustrating. By providing recipients with various alternatives such as disclosed in Returning Gifts, stores may provide safer, easier, cheaper and faster services for customers.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Dodd, US Patent 6,321,211, issued 20 November 2001.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to James H Zurita whose telephone number is 703-605-4966. The examiner can normally be reached on 8a-5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeffrey A. Smith can be reached on 703-308-3588. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

James Zurita
Patent Examiner
Art Unit 3625
19 July 2004

Jeffrey A. Smith
Primary Examiner